

Agenda Date: December 12, 2001
Item Number: 2B

Docket: UE-981627
Company Name: PacifiCorp

Staff: Graciela Etchart, Regulatory Analyst
Joelle Steward, Regulatory Analyst

Recommendation:

Issue a supplemental order granting PacifiCorp's petition to modify the Fifth Supplemental Order in Docket No. UE-981627 to eliminate the 80/10 Business Center Customer Performance Standard.

Background:

On October 14, 1999, the Commission issued the Fifth Supplemental Order, granting the joint application of PacifiCorp and Scottish Power to effect the December 6, 1998 Agreement and Plan of Merger of the Joint Applicants. In the Order, the Commission adopted a number of conditions to grant the application, including implementation of a number of Performance Standards and Customer Guarantees.

One of these Performance Standards is the Customer Service Performance Standard 6 (PS6), that addresses response times for PacifiCorp Business Center incoming telephone calls. PS6 established that within 120 days after completion of the merger, 80% of calls to PacifiCorp's Business Centers had to be answered within 30 seconds. This target would be increased to 80% in 20 seconds by January 1, 2001, and 80% in 10 seconds by January 1, 2002. By means of systems and process improvements, PacifiCorp surpassed the 80%-in-30-seconds ("80/30") target during the first year following the merger. The 80%-in-20-seconds ("80/20") target took effect January 1, 2001, and it is being met with 82% of all calls responded to within 20 seconds through September 30, 2001. On October 16, PacifiCorp filed a petition to eliminate the 80%-in-10 seconds ("80/10") target that was intended to go into effect January 1, 2002.

Discussion:

PacifiCorp states that, while technology improvements over the past few years have allowed the Company to improve work-queue-management while ensuring that customer calls are handled as quickly as possible, these improvements do not offset the unanticipated increase in the volume and complexity of calls received by the Company's Business Centers, caused by the energy environment with tight energy supplies, volatile energy markets, and the increase in the number of programs (e.g. Customer Energy Challenge, increased interest in demand-side-management programs, etc.). In addition, the Company states that its representatives work to resolve the customers' concerns with the first call, thus potentially lengthening the duration of calls.

To support its petition, PacifiCorp presented the result of its “pulse” research. The “pulse” research is a monthly telephone survey of 200 randomly selected customers throughout the Company’s service territory. The “pulse” research shows that customer satisfaction with call center wait times reached the level of “very satisfied” for 70.4% of the customers in 2000 with the 80/30 standard. Through August 2001, 70.2% of the customers were “very satisfied” with wait times, although the standard was raised to 80/20 effective January 1, 2001. At the same time, the percentage of “dissatisfied” rose slightly from 6.6 % with the 80/30 standard to 7.9% with the 80/20 standard. While performance has improved in 2001, customer satisfaction has remained stable.

The Company also provided a Residential Focus Group Research Report, that summarizes the results of focus groups conducted December 18-20, 2000 in Oregon and Utah. This report indicates that the goal of answering 80% of calls within 10 seconds is not particularly important to customers. Customers in the focus groups questioned whether the quality of service would suffer in the haste to answer calls and they reported that 80/10 would not increase their level of satisfaction.

The Company provided preliminary benchmarking data from the Edison Electric Institute's DataSource 2001 Call Center Benchmarking Study that showed that no electric utility in the U.S. has a target of less than 20 seconds within which to answer calls during the year 2000. The study showed that PacifiCorp answered 86% of calls within 20 seconds. The average service level performance for the 50 utilities surveyed was 71.9% of calls answered in 34.4 seconds. The study shows that PacifiCorp's average speed of answer for all calls (including Interactive Voice Response and customer representatives) was 13.8 seconds for year 2000. The average for the 50 utilities surveyed was 50.4 seconds. Finally, for the period April 1, 2001 through September 30, 2001, the Company reported in their semi annual report on service performance that 82% of all calls were responded to within 20 seconds.

Public Counsel, the third signatory of the merger stipulations, does not oppose the Company request.

Staff believes that the Company’s standard of 80/20 is reasonable. Staff also believes that the original 10-second answering time target could be much more restrictive than the industry norm for consumer service centers and may not necessary lead to better service and/or to increase customer satisfaction.

Recommendation:

Issue an order modifying the Fifth Supplemental Order in Docket No. UE-981627 to eliminate the 80/10 Business Center Customer Performance Standard.